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JONES DAY



Alternative energy deal lawyer Stephen Gillette

BLUE-SKY GUY

By **MATT MILLER**

LAWYER Stephen Gillette has become a go-to guy in navigating the expanding and complex universe of alternative energy mergers and acquisitions. At 40, he's considered an old hand on the subject.

"Steve doesn't have gray hair, but he does have deep and valuable deal experience," says Randy MacEwen, North American CEO at Renovalia Energy SA.

A Palo Alto, Calif.-based partner with Jones Day, Gillette advised MacEwen on the sale of his former company, Solar Integrated Technologies Inc., to Energy Conversion Devices Inc. for \$16.3 million. Gillette is now working with MacEwen on Renovalia, a Madrid-based alternative energy concern that is moving into the U.S. and Canada.

Gillette is distinguished from environment lawyers, who deal with regulatory and compliance issues and are themselves in greater demand these days with the ascent of cleantech and renewable energy. "He is a deal lawyer," says Bruce Ledesma, flatly. Ledesma is general counsel of SunPower Corp., based in San Jose, Calif.

Gillette was lead outside counsel in SunPower's \$277 million acquisition of SunRay Renewable Energy Ltd., completed in March. It was a highly complicated transaction, both Ledesma and Gillette stress, which involved an American private equity seller of assets in seven other countries, a valuable project pipeline,

plus myriad tax, regulatory and incentive issues. Jones Day lawyers were spread through several countries. Other firms were brought on board to help as well.

"Steve quarterbacked all that," Ledesma says.

Gillette finds himself on a great patch. Environment-related technology businesses are growing and seeking deeper pockets. At the same time, larger alternative energy companies seek further strength through acquisition. Traditional energy concerns want in as well.

"Across the cleantech industry, traditional energy companies are waking

up and saying, 'If you can't beat them, join them on that side of the business,'" says Gillette. "Investment from traditional energy companies might be the next big wave of financing for the solar space."

Gillette figures about half his business is now cleantech, while the rest of his corporate work revolves around semiconductors and the Internet. His alternative energy education, he says, hasn't involved so much the mastering of technological intricacies as "elements of the business model that are important to pick up for clients." That includes everything from unique funding challenges and development alternatives to the critical securing of commodities supplies like polysilicon.

"He has taken the time to develop a very deep understanding of our business and risk profile," says an admiring Ledesma. "He has an almost in-house perspective on the company."

Gillette arrived at this juncture in a somewhat circuitous fashion. A native of upstate New York, Gillette moved to California to attend law school. After graduating from UC Hastings College of the Law, he was ready to move back to New York. However, his San Francisco-native girlfriend (now wife) wasn't. So, in 1996, Gillette joined Wilson Sonsini Goodrich & Rosati PC and became, in his words, "your typical Silicon Valley guy," shepherding tech and Internet companies through the usual mill of venture funding, IPOs and M&A.



Gillette energizing alternatives

Then the Internet bubble burst, and Wilson Sonsini's model burst with it. Gillette says he wanted a law firm that wasn't as tied to one sector and one geography. Global giant Jones Day had recently set up a Palo Alto office, and it offered an international network and a diversified clientele and practice. He joined in 2003 and became partner in 2006.

Gillette's solar leap came in 2005, when he was still an associate. It began in failure. At the time, semiconductor mainstay Cypress Semiconductor Corp. owned solar cells and panels manufacturer SunPower and was spinning it out. Gillette and a partner pitched the IPO.

They were selected, and then unselected after Cypress' incumbent law firm pleaded for a second chance. A few months after SunPower went public, one of its executives called Jones Day and, according to Gillette, said, " 'You're right. You're hired.' " Gillette has been advising SunPower ever since on both fundraising and M&A activities.

One of the advantages of working for a firm like Jones Day, Gillette says, is its global reach. That pays off in unexpected ways. For example, in France, the firm has a reputation for technology startup work. Through his firm's Paris connection, Gillette was able to gain French energy giant Total SA as a client,

specifically to assist in cleantech strategic investments. Gillette helped broker Total's first investment, an equity stake in a Boston-area solar-cells-on-devices company called Konarka Technologies Inc., as well as a subsequent investment in an Englewood, Colo.-based biofuels company called Gevo Inc.

Gillette's reputation in the alternative-energy field is spreading. "By the end of the [Solar Integrated] transaction, he was highly respected on the other side," says MacEwen. "He's extremely gifted, effectively distilling complicated business and legal issues."

MacEwen also stresses how much Gillette puts all parties at ease. "He really doesn't have sharp elbows." ■



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